

TRANSACTION REPORT

P. 01

NOV-20-2006 MON 11:20 AM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
NOV-20	11:19 AM	2372776	1' 13"	4	SEND	OK	872	

TOTAL : 1M 13S PAGES: 4

10010058



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director
JOHN R. BAZA
Division Director

UTAH DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE: 11/20/06
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COMPANY: SL Tribune
NUMBER OF PAGES (INCLUDING THIS ONE): 4
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MESSAGES: Please publish Legal Notice.
Thanks

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State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

November 20, 2006

FACSIMILE 237-2776
E-Mail - NAClegal@nacorp.com

Salt Lake Tribune
Legal Advertising
116 Regent Street
P.O. Box 45838
Salt Lake City, Utah 84145

Gentlemen:

Subject: NOTICE OF TENTATIVE APPROVAL – M0010058

Attached is a Notice of Tentative Approval from the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah.

It is requested that this notice be published ONCE ONLY as soon as possible, but no later than the 23rd day of November, 2006. In the event that said notice cannot be published by this date, please notify me immediately by calling 538-5291.

Upon completion of this request, please send proof of publication and statement of cost to the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801; phone (801) 538-5340.

Sincerely,

Penny Berry
Minerals Secretary

pb

Attachment

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P.01

NOV-20-2006 MON 03:12 PM

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TOTAL : 1M 11S PAGES: 4

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Division of Oil, Gas & Mining

MICHAEL R. STYLER
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Division Director

UTAH DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Executive Director
JOHN R. BAZA
Division Director

UTAH DIVISION OF OIL, GAS AND MINING
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DATE: 11/20/06

FAX#: 435-438-~~2881~~ 8804

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COMPANY: Beaver Press

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State of Utah
Department of
Natural Resources

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Executive Director

Division of
Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

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November 20, 2006

FACSIMILE 435-438-2891
E-Mail – bpress@xmission.com

Beaver Press
Legal Advertising
40 East Center
P.O. Box 351
Beaver, Utah 84713

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Sincerely,

Penny Berry
Minerals Secretary

pb
Attachment
P:\GROUPS\MINERALS\WP\M001-Beaver\M0010058-RedEmerald\final\NEWSPAPER.doc

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---ooOoo---

IN THE MATTER OF TENTATIVE
DECISION TO APPROVE A LARGE
MINING AND RECLAMATION PLAN
FOR RANCHO EQUIPMENT INC.,
RED EMERALD MINE,
BEAVER COUNTY, UTAH

:
:
:

NOTICE OF TENTATIVE
DECISION TO APPROVE

NO. M0010058

---ooOoo---

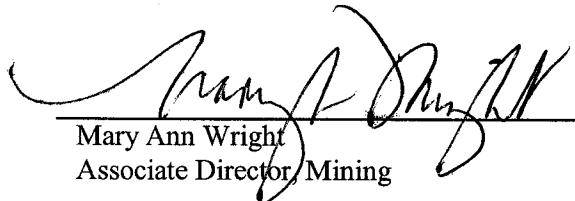
Notice is hereby given by the Division of Oil, Gas and Mining of its tentative decision to approve the Large Mining Operations Notice of Intention (Notice) for the Red Emerald Mine. Mining activities will affect the following area: Portions of the Section 19, 20, 29, 30, Township 29 South, Range 14 West, SLBM, Beaver County, Utah

Rancho Equipment Company has filed a Notice to permit a Large Mining Operation. Reclamation surety will be posted to assure reclamation of 6.07 acres of disturbance. The mine will extract red beryl crystals from rhyolite using an open pit extraction method. At the end of operations any fuel tanks, equipment, or structures will be removed. The mined area will be regraded and seeded to an overall slope angle of 21 degrees, leaving a single 51 degree, 40 foot high and 240 foot long highwall. The complete Notice may be viewed at the Division's Public Information Center.

Any person or agency aggrieved by this tentative decision may file a written protest within thirty (30) days of the date of publication to Mary Ann Wright, Associate Director of Mining, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801, setting forth factual reasons for the complaint.

DATED THIS 16th day of Nov., 2006

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING



Mary Ann Wright
Associate Director, Mining

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Tentative Decision to Approve the Large Mining Notice of Intention for Rancho Equipment Inc., Red Emerald Mine, M0010058 to be sent via facsimile, electronic mail, or mailed by first class mail, postage prepaid, the 20 day of November, 2006.

FACSIMILE: 237-2776

E-MAIL: naclegal@nacorp.com

Salt Lake Tribune
Advertising Department
116 Regent Street
P.O. Box 45838
Salt Lake City, Utah 84145

FACSIMILE: 435-438-2891

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Beaver Press
40 East Center
P.O. Box 351
Beaver, Utah 84713

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 4141

Ed Ginouves
BLM – Cedar City
176 E DL Sargent Drive
Cedar City, Utah 84720

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 4134

Dick Turner
c/o Rancho Equipment
1557 West Ashby Road
Delta, Utah 84624-7327



Penny Berry, Secretary
M0010058-pb

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---ooOoo---

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DECISION TO APPROVE A LARGE	:	NOTICE OF TENTATIVE
MINING AND RECLAMATION PLAN	:	DECISION TO APPROVE
FOR RANCHO EQUIPMENT INC.,	:	
RED EMERALD MINE,	:	
BEAVER COUNTY, UTAH	:	NO. M0010058

---ooOoo---

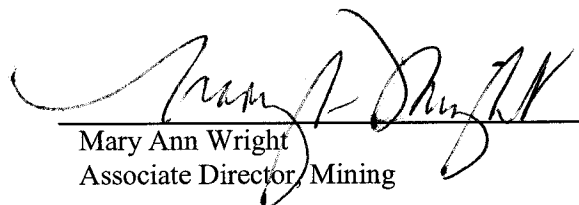
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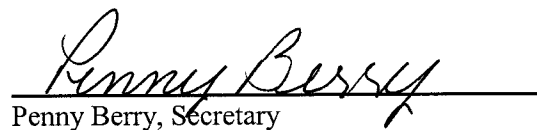
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Dick Turner
c/o Rancho Equipment
1557 West Ashby Road
Delta, Utah 84624-7327


Penny Berry, Secretary
M0010058-pb

STATE ACTIONS
Governor's Office of Planning and Budget
Resource Development Coordinating Committee
P.O. Box 145610
1594 W. North Temple, Suite 3710
SLC, UT 84114-5610
538-5535

1. Administering State Agency Division of Oil, Gas and Mining	2. Approximate date project will start: Ongoing Project
3. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Five County Association of Governments Ken L. Sizemore, Executive Director 1070 West 1600 South St. George, Utah 84771-1550 (435) 673-3548	
4. Type of action: // Lease / <input checked="" type="checkbox"/> / Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
5. Title of proposed action: Red Emerald Mine, Rancho Equipment Inc. M0010058.	
6. Description: <p>Temporary office building/ living quarters, fuel storage, and explosive magazine are the only structures found on site. This an open pit mine creating a small pit area with benches 10 feet in height. A waste rock facility containing barren material will be created on the east side of the pit. The first year production will be 25,000 tons, and ore production will be evaluated annually thereafter. No crushers will be located on site eliminating the need for an air quality permit. Storm water handling is addressed in the plan. An excavator will rake the benches where the ore will be hand sorted and any visible red beryl will be removed. Ore will be stockpiled onsite and the waste will be placed on the waste rock pile.</p> <p>After operations the waste rock and benches will be regraded to an overall slope angle not to exceed 21 degrees. A variance is proposed to allow a single 51 degree highwall to be left. All benches will be topsoiled and seeded. Any fuel tanks or other portable equipment or structures will be taken off site following mining and reclamation. Disturbed areas will be revegetated to achieve 70 percent of the estimated 30% vegetative cover.</p>	
7. Land affected (site location map required) (indicate county) Portions of Section 19, 20, 29, 30 Township 29 South, Range 14 West, SLBM, Beaver County, Utah. UTM-East 285604, UTM-North 4237652	
8. Jordan River Natural Areas Forum review - If the proposed action affects lands within the Jordan River Natural Areas Corridor. (to be sent out by agency in block 1). (see Instructions II below). N/A	

9. Has the local government(s) been contacted? If yes, Yes
a. How was contact made? By copy of this notice
b. Who was contacted? Five County Association of Governments
c. What was the response? None yet
d. If no response, how is the local government(s) likely to be impacted? Continued operation of mine site.
No significant impact to local government expected from this action.

10. Possible significant impacts likely to occur: None

11. Name and phone of district representative from your agency near project site, if applicable:
N/A

12. For further information, contact:
Tom Munson
Phone: (801) 538-5321

13. Signature and title of authorized officer

Date: *Susan M. White* 11/14/06

INSTRUCTIONS

I. Whenever a State agency proposes or is administratively responsible for an action not exempted, it shall complete a State Action form and forward one copy to the Governor's Office of Planning and Budget and the effected areawide clearinghouse(s). All State Actions reviewed by the Resource Development Coordinating Committee (RDCC) within 30 days of receipt will forward all comments and recommendations within the 30-day review period to the initiating State agency. State Agencies may request an extension to the 30-day review period, if additional information is needed.

Questions encountered with the areawide clearinghouse review should be directed to the areawide clearinghouse. The Governor's Office of Planning and Budget will wait for the affected areawide clearinghouse(s) to complete their review before issuing a final clearance to the originator on this STATE ACTION.

II. If the proposed action affects lands within the Jordan River Natural Conservation Corridor (see **Error! Not a valid link.**), a copy of this completed form must also be submitted to:

Jordan River Natural Areas Forum
C/O State and Local Planning
Governor's Office of Planning and Budget
116 State Capitol
Salt Lake City, UT 84114

Questions regarding JRNACC or JRNAF should be directed to 538-1027.

UTAH STATE AND AREA WIDE CLEARINGHOUSES

AREA WIDE CLEARINGHOUSES

MONTHLY MEETINGS

COUNTIES

1	<u>Bear River Association of Governments</u> Roger Jones, Executive Director 170 North Main, Room 2 Logan, UT 84321 Phone (435) 752-7242	3 rd Tuesday 1:00 p.m.	Box Elder Cache Rich
2	<u>Five County Association of Governments</u> John Williams, Executive Director Post Office Box 1550 906 North 1400 West St George, UT 84771-1550 Phone (435) 673-3548	2 nd Wednesday 1:30 p.m.	Beaver Garfield Iron Kane Washington
3	<u>Mountainland Association of Governments</u> Darrell Cook, Executive Director 586 East 800 North Orem, UT 84097-4146 Phone (801) 229-3800	4 th Wednesday 7:00 p.m.	Summit Utah Wasatch
4	<u>Six County Association of Governments</u> Russell Cowley, Director Post Office Box 820 250 North Main Richfield, UT 84701 Phone (435) 896-9222	2 nd Wednesday 1:00 p.m.	Juab Millard Piute Sanpete Sevier Wayne
7	<u>Southeastern Utah Association of Governments</u> Bill Howell, Executive Director 375 S. Carbon Avenue Post Office Box 1106 Price, UT 84501-0881 Phone (435) 637-5444	3 rd Thursday 1:00 p.m.	Carbon Emery Grand San Juan
5	<u>Uintah Basin Association of Governments</u> Curtis Dastrup, Executive Director 855 East 200 North (112-3) Roosevelt, UT 84066 Phone (435) 722-4518	3 rd Thursday 1:00 p.m.	Daggett Duchesne Uintah
6	<u>Wasatch Front Regional Council</u> Wilbur R. Jefferies, Exec. Dir 420 West 1500 South, Suite 200 Bountiful, UT 84010 Phone (801) 292-4469	4 th Thursday 3:00 p.m.	Davis Morgan Salt Lake Tooele Weber

EXECUTIVE SUMMARY

Date Summary Prepared: November 7, 2006

Mine Name: Red Emerald Mine	I.D. Number: M/001/058
Operator: Rancho Equipment Inc.	Date Original Notice Received: July 26, 2004
Address: Dick Turner C/O Rancho Equipment 1557 W. Ashby Road Delta, Utah 84624-7327	County: Beaver
Telephone: 435-864-3971	New/Existing: Status changing from SMO to LMO
Contact Person: Dick Turner	Mineral Ownership: BLM
Telephone: 435-864-3971	Surface Ownership: BLM
	Lease No.(s):
	Permit Term: Life of Mine

Life of Mine: 5 years depending on the amount of mining

Legal Description: Portions of Sections 19, 20, 29, 30 T29S, R14W

Mineral(s) to be Mined: Red Beryl

Acres to be Disturbed: 6.07 acres

Present Land Use: wildlife

Postmining Land Use: wildlife

Variances from Reclamation Standards (Rule R647) Granted: R 647-4-111. Reclamation Practices. 7.

Highwalls. The highwalls remain stable at 51 degrees and a variance for a single highwall was granted for this slope angle. Under BLM's EA #UT-44-99-14 the highwalls could be completed at a 51 degree overall angle with a maximum height of 40 feet. This variance was granted to GMI, Red Emerald's predecessor. A demonstration was made by GMI that the material that formed the highwall on the east and south faces in the pit, would be stable at an angle higher than 45 degrees. This demonstration is consistent with Rule R647-4-111.7.

Soils and Geology

Soil Description: The soils tested as a Sandy loam 1-12 inches thick

pH: 7.8-8.2

Geology Description: Geologically, the mine site is located on rhyolite and other light-colored rocks and in some locations a layer of dark basalt caps these rocks.

Special Handling Problems: Where possible the topsoil will be placed over all the disturbed area at a rate of 500 yards per acre. This amounts to 3-6 inches of growth media over all areas of their light colored volcanic rocks and in some locations these rocks are capped by a layer of dark basalt.

Hydrology

Ground Water Description: Ground water is not found near the site. One drill hole was completed 850 feet below the site and no ground water was encountered.

Surface Water Description: Runoff only occurs in response to major rainfall events. The mine is located near the top of a drainage divide, not allowing much drainage to accumulate.

Water Monitoring Plan: None

Ecology

Vegetation Type(s); Dominant Species: Utah Juniper, Black Sage Brush, Antelope Brush, Indian ricegrass, Pinion-Singleleaf, Nevada Mormon Tea, Broom Snakeweed, and Bluebunch wheatgrass

Percent Surrounding Vegetative Cover: 30 percent

Wildlife Concerns: none

Mining and Reclamation Plan Summary:

During Operations: Temporary office building/ living quarters, fuel storage, and explosive magazine are the only structures found on site. This an open pit mine creating a small pit area with benches 10 feet in height. A waste rock facility containing barren material will be created on the east side of the pit. The first year production will be 25,000 tons, and ore production will be evaluated annually thereafter. No crushers will be located on site eliminating the need for an air quality permit. Storm water handling is addressed in the plan. An excavator will rake the benches where the ore will be hand sorted and any visible red beryl will be removed. Ore will be stockpiled onsite and the waste will be placed on the waste rock pile.

After Operations: After operations the waste rock and benches will be regraded to an overall slope angle not to exceed 21 degrees to mitigate erosion and enhance revegetation. A variance to highwall reclamation was granted to allow a single highwall to be left that will be approximately 240' long and a maximum of 40' high. All benches will be topsoiled and seeded. Any fuel tanks or other portable equipment or structures will be taken off site following mining and reclamation. Disturbed areas will be revegetated to achieve 70 percent of the estimated 30% vegetative cover.

Surety

Amount: \$55,200

Form: Certificate of Deposit #1 16513226058 and #2 7400898370 held at Wells Fargo Bank

Renewable Term: 12 months

pb:tm

P:\GROUPS\MINERALS\WP\M001-Beaver\M0010058-RedEmerald\final\exec summ-071706.doc